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COUNTRY East Germany

SUBJECT Structure, Activities and Personnel
of DIA, ChemiePLACE
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1. DIA Planning and Plan Fulfillment for 1952 and 1953

DIA Chemie (German Domestic and Foreign Trade - Chemistry) is primarily interested in exporting. During 1952, the ratio of chemical imports to chemical exports was 1:2; in 1953 it will be 1.3:2. This increase of imports is ascribable to the fact that the progress of East Germany in important branches of the chemical industry did not come up to expectations; this necessitated an increase in imports and a decrease in exports.

The 1952 plan was fulfilled approximately 90 percent. It is not probable that the 1953 plan is being fulfilled as proposed. Considerable subsidies were given to the import and export branches of the chemical industry of East Germany. In 1952, the DIA Fachanstalt Chemie received 650 million eastmarks. It is interesting to note that the import branch of the DIA could achieve a surplus of 10 million eastmarks; the export branch worked with a deficit of 650 million eastmarks. Of the so-called 650 million subsidies, 320 million alone went to the export branch Mineral Oil (Avia-benzine, Diesel-oil, Special-benzine, Paraffine and Kontenwachse). The reason for the high subsidies is the fact that these goods must be exported to the Soviet Union at a price much below the cost of production. The above-mentioned subsidy does not include those subsidies to the SAG's and VEB's. The remaining subsidies of 330 million eastmarks are divided among the organic and inorganic chemicals. The Fachanstalt is trying to decrease the subsidies for 1953. This the Fachanstalt is trying to achieve by selling all goods imported by the DIA which are destined for a final consumer (co-operative stores, HQ, pharmacies, etc.) at a considerable higher price.

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2. Import Office (Kontor) - Rubber

This office imports automobile tires, bicycle tires, conveyor belts and diverse rubber goods for medical use and for the textil industry.

The most important import items are conveyor belts. They are used in the coal mines and are 1800 mm. and over in width. These conveyor belts are so important that often a breakdown in the transport of brown coal is caused by the inability to obtain a replacement for a torn conveyor belt. The manufacturers of these belts are the Conti works in Hannover and Phoenix and Trethorn, Hamburg; in East Germany the conveyor belts are produced by SAG Vollerath in Blankenburg, however, only in sizes less than 1800 mm. wide. In order to economize on foreign exchange and also for political reasons, an attempt was made to use Polish-made conveyor belts, but they did not satisfy qualitatively.

Rubber tires are imported from West Germany and from England; to a large extent tires are also imported from Russia and Czechoslovakia. The greatest shortage exists in tires for trucks and heavy tractors. A small number of bicycle tires is imported; Czechoslovakia and West Germany supply a small amount.

Other rubber goods imported include rubber threads for the textile industry; also a small amount for medical purposes. These come from West Germany. Recently an increasing amount of starting ropes for gliders was imported from Czechoslovakia.

The rubber import program for 1953 is about the same as it was for 1952. The total value of the import business is approximately 18 million rubles. The delivery of automobile tires during 1953 will almost exclusively be made by Russia. These items Russia is well able to deliver and has already fulfilled its obligation for the first and second quarters; but in the production of tires of large dimensions Russia is weak and the deliveries are irregular or are not made at all.

3. Import Office - Dyes

The total import volume of this office during 1952 was approximately 35 million rubles. The largest part of it consisted of organic dyes and intermediate dye products with a value of approximately 30 million rubles. Other items imported were: approximately 1000 tons Blanc fix (Barium sulphate precipitated); stannic oxide 1000 tons; bronze powder approximately 40 tons; iron oxides approximately 200 tons. These items were supplied mostly by West Germany and had a value of approximately 20 million rubles. The rest was supplied by Switzerland (primarily by the Ciba concern). Smaller deliveries were made by England and Holland.

In spite of increased textile production, the 1953 import quota for textile dyes was decreased 50 percent. Consequently this will create an unfavorable situation for the textile dyeing and printing industry in East Germany in 1953 as the East German chemical industry does not have a notable dye production. It may be necessary to increase the reduced import quota of 1952 to 1200 tons. Even this amount, which is presently under consideration within the DIA, is still unsettled as far as the dye deliveries to the textile industry are concerned and may necessitate an additional quota allotment. The 1952 import program of the DIA was 80 percent achieved as far as dyes were concerned. The reason for the non-fulfillment of 20 percent was solely ascribed to the poor financial condition of the DIA.

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4. Import Office - Pharmacy

In 1952, the import volume was 19 million rubles, to which another 8 million rubles from special non-quota assignments must be added. This office imports 25 percent of the pharmaceuticals from the East, and 75 percent from the West. For 1953, it is estimated that the ratio will be approximately 20 percent to 80 percent.

DIA Import Kontor Pharmacie has charge of the import of the following items (plan positions):

Insulin, aureomycin, streptomycin, caffeine, phenacetyn sulfonamide, drugs, veterinary medicines, serums and vaccines, laboratory chemicals, essential oils, barbiturates, annatosat (sic)², opaque meals (for internal Kraying), various pharmaceutical raw materials, various pharmaceutical specialties.

In 1952, 8 million rubles were spent for the import of essential oils; for 1953, an import of 10 million rubles is planned.

Insulin:

The domestic production of insulin must cover about 25 percent of the demand; 75 percent of it has to be imported annually approximately 7 to 8 kilograms of crystal insulin. The imported material comes from West Germany, Holland, Denmark, and Belgium. It is expected that in 1953 Poland will offer crystal insulin. In 1952, Russia also offered insulin in ampules ready for injections, but the packing was so bad that the DIA rejected the offer.

Anti-biotics:

There is an embargo imposed on aureomycin and therefore, it cannot be bought on a normal cash or barter basis. It is obtained by Chemiepha, usually from the Lederle firm in the United States.

Streptomycin:

No import has been planned for 1953. East Germany seems to depend on the promises of Jenapharm which assured that it would be able to deliver streptomycin from its own production in sufficient quantities and quality. Within the DIA, however, there is great doubt, as these promises were also made in 1952 and in the summer 1952 large import contracts with Russia had to be arranged. Additional imports had to be negotiated through Chemiepha.³

Penicillin:

No imports. Export problems. Exports cannot be realized, as only depot-penicillin is asked for, which, however, is not available in sufficient quantities. Large deliveries are made to North Korea through a Korean aid committee and through commercial agreements with North Korea.

Caffeine:

For the first and second quarters of 1953, 5 to 7 tons will be imported under the trade agreement with West Germany. For the third and fourth quarter of 1953, caffeine exports from East Germany are already planned and are to be carried out when at that time the plant Von Heyden⁴ is made ready for full production.

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Phenacetine:

In 1952, 40 tons were imported, exclusively from the West. For 1953, because of the increasing domestic production, only 15 tons will be imported. The imports are to come from Russia, but it is not certain whether Russia can make deliveries; therefore it is planned to import 3 tons from England and the rest from West Germany.

Sulfonamide:

All imports come from the West; primarily Elacoin of Ciba.

Serums and Vaccines:

East Germany is primarily interested in all special serums, also those deficient in albumen (eiweissarme Seren). East Germany is not yet able to produce them.

Laboratory Chemicals (Laborehemikalien):

These are very important items which East Germany is not able to produce in large quantities. Besides the urgently needed chemicals for making analyses for bacteriological, hygienic and medical-technical research, the lab chemicals for metallurgical analyses are of primary importance. The import plan for 1952 amounted to 600,000 rubles; for 1953 the import program has been raised to 1,010,000 rubles. The principal importers within the IDH (Society for commerce inside Germany) are the Merck firm, the Riedel firm and the Schuchardt firm.

Barbiturates:

No import plans were made for 1953. It is thought that whatever is needed can be covered by the production at the new installation at the Von Heyden chemical plant.

Annatosat (sic):

For 1953 it has been planned to import 100,000 tons. It is used for extraction of the yellow dye for coloring margarine.

Opaque Meal (Xray): (X-ray contrast media)

Main supplier is Cilag, Switzerland, whose product Joguron⁵ is much in demand.

Agar-Agar:

The 1953 import plan lists 35 tons.

Iodine:

The necessary import supply is approximately 5 tons every three months. About half of it is given to the VEB Byck-Guelden, Oranienburg, for the manufacture of potassium iodide.

Veterinary Medicines:

At the end of 1952 and during the beginning of 1953, an unexpected and considerable increase of the plague among pigs made a supply of serum for 300,000 rubles extremely urgent. An argument whether the serum should be bought from Poland or from the Behring firm delayed the action. After the plague had already taken a heavy toll, it was decided to buy the serum for 280,000 DM West from Behring.⁶ Later on, Poland also supplied 1000 liters of vaccine. Behring supplied 5000 liters; the total amount bought up to the present time is 3000 liters of serum and 3000 liters of vaccine.

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As soon as the danger of the plague among the pigs had abated, the Volkspolizei placed an urgent order for distemper serum, as the police dogs were dying in the police training schools. The purchase was made through Chemispha. At the same time an increasing epidemic of rabies raged, especially in South Thuringia, and the DIA was forced to get a supply of rabies vaccine.

Another constant problem is the battle against hoof and mouth disease. Research in and the production of hoof and mouth serums takes place on the island of Riems under Prof. Hans Roehrer.⁷ The DIA is concerned insofar as it buys from Czechoslovakia the skins of the tongues (Zungenhaute) of those animals that had been attacked by the disease. These skins are then used on Riems.

5. Reorganization of DIA Chemie, Section VIII

In 1953, a reorganization of Section VIII of DIA Chemie was undertaken. A new import office (Kontor) was created and added to the existing three import offices formerly under Section VIII. The new structure is reported to be as follows:

Import office for inorganic chemistry
 Import office for organic chemistry
 Import office for mineral oils
 Import office for "Technische Chemie"

In 1952, the first three offices had a turnover amounting to 156 million rubles. This is alleged to have been a plan fulfillment of 101 percent. The turnover planned for 1953 is 170 million rubles, the increase to be allocated mostly to the mineral oils Kontor. The planned 1953 turnover for organic chemicals is 65 million rubles; for inorganic chemicals 25 million rubles. The 1953 planned turnover for "Technische Chemie" is allegedly included in the quotas for organic and inorganic chemistry.

6. Inorganic Chemical Imports

During 1952, the priority inorganic chemical import was caustic soda (Aetznatron). Thirty thousand tons were imported, chiefly from West Germany, but also from Switzerland and England. Thirty thousand tons of soda ash were imported from Poland, West Germany, Western countries, and Bulgaria. In 1952, 15,000 tons of sulphuric acid were imported, most of it from West Germany and 1500 tons from Bulgaria.

Sulphur:

No imports of sulphur were planned for 1952 and 1953. East Germany is an exporter of sulphur; the sulphur comes from the residues of the carbonization of lignite. East Germany exports to Poland, Czechoslovakia, Hungary, Rumania, Bulgaria and also to Russia. The sulphur export program for 1953 calls for 20,000 tons. The DIA hoped in 1952 to sell sulphur favorably in the West. At first it held back its sulphur in order to wait until the prices had risen to a favorable level. But through the inefficiency of the Market Analysis division (Marktbeobachtung), the DIA offered its sulphur on Western markets during a period when prices began to fall and when American sulphur was appearing in great quantities on the market.

Red lead, metallic oxides:

East Germany buys these chemicals from the Guergi und Tobler firm, Zuerich. Payment has to be made mostly in cash, either in dollars or in other hard currency. The Berlin representative of the firm is Dr. Wohlgenut.

Freon:

This gas is urgently needed for refrigerator ships that carry perishable goods from tropical areas. In October 1952, the DIA bought much needed Freon on the black market in West Germany in order to get a Russian refrigerator ship ready to sail. One hundred and fifty kilos of Freon were then transported in carts from West Berlin to the East Zone. The containers, when opened, were found to contain nothing but tap water.

Alumina (calc. Toners):

In 1952, 12,000 tons were imported and delivered to Elektrochemisches Kombinat Bitterfeld.

Potash:

Report planning for 1952 was 12,000 tons,⁸ of which 6,500 tons were realized. The 1953 planning provides for an export of 6,000 tons.

Inert Gases:

Used for filling fluorescent lamps. Suppliers are Hungary, West Germany and the Norsk Hydro firm of Norway.

Titanic Oxide:

The 1953 import plan amounts to 250 tons. Suppliers are West Germany and Italy. Rutil, a titanium compound, is imported for Elektrochemisches Kombinat Bitterfeld.

7. Organic Chemical Imports

The most important plan positions of the organic chemicals import office are: bones, varnish, linseed oil, rubber, aniline, synthetic resins, "Inertel" and "Immol", asphalt, "Gondapech", pyrocatechin, wood oil, phlogelatin, flaked gunpowder, fatty acids, glycerin, degreas, amyl alcohol, acetic anhydride.

Bones:

Imported are 3000 tons of bones for glue and 3000 tons for gelatin. They are imported from India and Argentina; in 1952, 1000 tons arrived from Czechoslovakia. The import program for these items was only 60 percent accomplished in 1952.

Aniline:

Import planning for 1953 amounts to 1000 tons. All of it is to be bought from Russia. As deliveries from Russia are constantly delayed and in order not to impede the plants depending on the supply aniline, attempts have been made to buy aniline in West Germany.

Synthetic Resins:

The production of synthetic resins by the Erkner firm is poor qualitatively and quantitatively. East Germany now buys some from the sister plant of Bakelite, Erkner, which is located in Letmathe, North-Rhine Westphalia.

Inertel and Immol:

This synthetic resin material is used for coating the inside of bottles and boilers to protect them from corrosion. Imports come from West Germany.

Fatty Acids:

About five to six thousand tons are needed for the East German soap industry; but only 80 percent of that amount is obtained. Imports come from Norway, Denmark, Holland and principally from the Aldag firm in West Germany.

Mineral Oils:

The chief import item is crude oil from Zistersdorf. The import program for 1952 amounted to 320,000 tons. Also imported were benzene and naphthalene from Poland and Czechoslovakia.

Iron Carbonyl Powder:

Import planning for 1953: 150 tons, of which 40 tons are to come from West Germany and capitalistic countries; 110 tons from Russia. Responsible for the importation of iron carbonyl powder is the newly-created DLA import office "Technische Chemie".

Since iron carbonyl powder is a strategic item, it is difficult to obtain for East Germany. Some time ago, a deal was concluded with the Bosse firm in Bonn. The powder arrived in barrels and was declared to be artificial skins. In reality only the upper layers contained artificial skins while the lower part of the barrel contained iron powder. But when the powder was analyzed it was found that the Bosse firm had sent just ordinary iron powder instead of the iron carbonyl powder which had been ordered. East Germany had paid for this cargo in Belgian francs and in English pounds.

In addition to the import of iron carbonyl, the import office "Technische Chemie" is also responsible for importing bleaching earths and incandescent gas burners. How difficult the operation of this office is, is shown by the fact that the office could, at the end of March 1953, fulfill its quota only up to 4 1/2 percent when it should have been 25 percent to accomplish the annual quota of 100 percent.

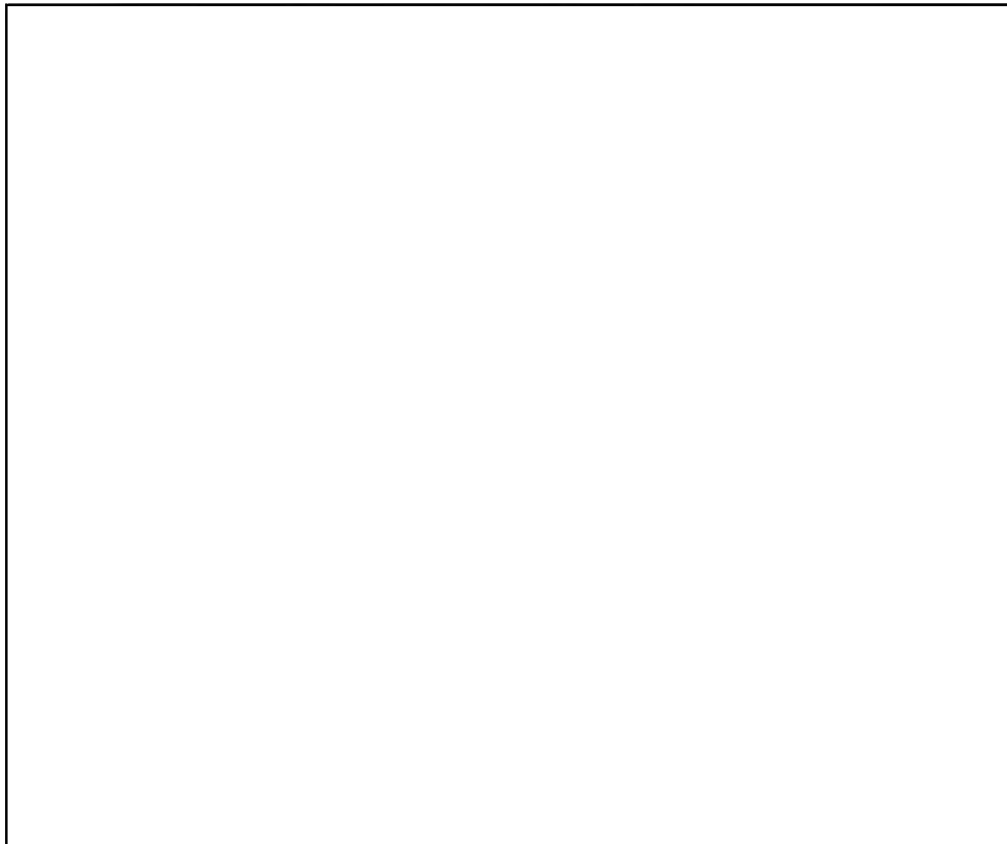
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Comments:

1. Continental Gummi-Werke Aktiengesellschaft, Hannover-Limmer, Wunstorferstrasse 130; Harburger Gummiwaren-Fabrik Phoenix A.G., Hamburg-Harburg; Tretern Gummi-und Asbestwerke A.G., Hamburg 22, Weidestrasse 118.
2. Webster's New International Unabridged Dictionary carries annatto, a yellowish-red dyestuff prepared from the pulp surrounding the seeds of the annatto tree, and used for coloring oils, butter, etc. It contains bixin and orrellin.

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3.

4. VEB Chemische Fabrik von Heyden, Dresden

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5.

6. Probably the Behring Institut, Eystrup/Weser.

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7. Prof. Hans Roehrer is technical head of the Biological Research Institute, Riems Island, [redacted]

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8.

9. Operative Laenderplan--